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**EXPORT OF USED EQUIPMENT,
CLOTHING AND VEHICLES, INCLUDING
REMANUFACTURED AUTOMOBILE PARTS**

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IS THERE A GLOBAL MARKET FOR USED GOODS FROM THE UNITED STATES?

Yes, the international market for used goods shipped from the United States is relatively strong, supported by statistics measuring the volume of worn clothing and used vehicle exports. In 1999, documented export sales of worn clothing from the U.S. topped \$217 million while the aggregate sum of U.S. used vehicle exports reached approximately \$941 million (source: U.S. Census Bureau). Used equipment and remanufactured automotive parts are grouped under the same tariff classification as their new counterparts, making it difficult to obtain isolated statistical data for these used products. However, according to U.S. Department of Commerce officials, the volume of used exports from the United States is significant.

It is important to note that the export of used products is a diverse and somewhat nebulous area of international commerce. While there is measurable international demand for used goods from the United States, tapping into these markets can be a relatively difficult undertaking due to the existence of non-tariff barriers, outright restrictions and lack of access to pertinent information. This article aims to help U.S. companies better understand the issues related to exporting used goods. Sources of country-specific information are highlighted within the context of the following industries: equipment (including medical), clothing and vehicles (including remanufactured parts).



WHICH COUNTRIES IMPORT THE MOST USED GOODS FROM THE UNITED STATES?

The top five markets for exports of used clothing from the United States for 1999 were Mexico, Canada, Japan, Benin, Chile and Haiti. The total value of exports of used clothing to those five markets was \$101 million for 1999.

The top five markets for exports of U.S. used passenger vehicles for 1999 were Japan, Germany, Saudi Arabia, Mexico and the U.K. The total value of exports to these markets in 1999 was \$423 million. For more detailed information, refer to the U.S. Census Bureau web site www.census.gov/foreign-trade/www/.

As mentioned above, statistical information on U.S. exports of used equipment and remanufactured automotive parts is

not available. U.S. Department of Commerce officials indicate that most inquiries for used equipment come from the Latin America region, especially Central America, and attribute this trend to geographical proximity and comparatively lower shipping costs. In the area of remanufactured automotive parts, U.S. Department of Commerce analysts cite Mexico, Canada, Saudi Arabia and Kuwait as the strongest markets for U.S. exports.



DO USED GOODS SHARE SCHEDULE B CODES WITH THEIR NEWLY MAN- UFACTURED COUNTERPARTS?

The answer to this question depends upon the product. Schedule B Codes are product specific and composed of six to ten numerical digits that come from the Harmonized System (H.S.) of tariff classification. The H.S. provides a common language for customs authorities around the world to identify products and assess appropriate duties and taxes. Trade statistics are also gathered via H.S. tariff classification. In the case of clothing and vehicles, new and used products are assigned unique Schedule B codes and corresponding rates of duty. However, used equipment and remanufactured automotive parts share the same Schedule B codes and rates of duty as those of their new counterparts.



WHAT RESTRICTIONS ARE PLACED ON USED EXPORTS?

Import restrictions for used goods vary by product and country of destination. In the case of equipment, Argentina requires that used goods be accompanied by a certificate authenticated by the commercial office of the Argentine Embassy or Consulate in the export country, as proof of refurbishment. The People's Republic of China bans the import of all used machinery and electric products (including medical devices). At the same time, many countries appear to permit the unrestricted importation of used or refurbished medical equipment on the same terms as new.

Mexico requires import licenses for used clothes while South Africa bans the import of worn clothing, except for humanitarian donation. In the case of used vehicles, countries may designate age as a restricting variable and require that imports be no more than a specified number of years old. For example, Peru stipulates that used passenger vehicles be no more than five years old and commercial vehicles no more than eight years old. At the same time, Brazil and Thailand ban the import of used vehicles altogether.

Safety and environmental regulations may pose additional challenges that make the penetration of certain markets for used vehicles tougher than others. Most South American countries and ASEAN member countries have outright bans on remanufactured automotive parts. Also, used goods often face non-tariff barriers such as reference pricing, especially in emerging markets, where customs valuations may be assigned in a relatively arbitrary fashion.

Several U.S. Department of Commerce industry offices have compiled summary reports of global import requirements. These reports provide country specific information and are accessible via the Internet home pages of the various offices, including:

Used Equipment

"Worldwide Used Machinery Import Regulations"

www.ita.doc.gov/td/machinery/reports/reports.html

Used and Refurbished Medical Equipment

"Global Import Regulations for Pre-Owned (Used and Refurbished) Medical Devices"

www.ita.doc.gov/td/mdequip

Used Vehicles and Remanufactured Parts

"Report on Vehicle Import Requirements"

"Report on Remanufactured Parts Import Requirements"

www.ita.doc.gov/td/auto/impreq.html

The Trade Information Center of the U.S. Department of Commerce posts documents on its website that report on global import restrictions. This information is found under "Country Information" on the Trade Information Center home page: <http://tradeinfo.doc.gov>



WHERE CAN I FIND U.S. GOVERNMENT SOURCES OF MARKET RESEARCH FOR USED GOODS?

There are several sources of U.S. Government market research on used exports. The federal government trade portal (www.export.gov) brings together public sector export-related information under one easy-to-use website, organized according to the intended needs of the exporter. The "Market Research" section of the site provides searchable information on U.S. exports, including used products. Timely market research information may also be accessed through the U.S. Department of Commerce's Commercial Service home page (www.usatrade.gov). Another way to access reports is through the National Trade Data Bank (NTDB), available as a component of the subscription service STAT-USA (www.stat-usa.gov). For more information, call 800-STAT-USA or (202) 482-1986. All federal depository libraries maintain subscriptions to the STAT-USA program that visitors are welcome to access at no charge. For locations of these libraries, please call the Trade Information at 1-800-USA-TRAD(E). Additionally, the U.S. Department of Commerce organizes and leads trade missions that promote U.S. exporters' used goods in overseas markets. For trade mission scheduling information, visit the International Trade Administration's website (www.trade.gov/doctm) or contact the industry offices listed in the following section.



WHERE CAN I GO FOR FURTHER ASSISTANCE?

For additional information on the export of used equipment, clothing or vehicles/remanufactured automobile parts, contact the following offices and organizations. Please keep in

mind that due to the secondary nature of markets for used products, information on exporting to specific countries may not be available.

EQUIPMENT

Office of Energy, Infrastructure and Machinery

Industrial Machinery Division

John Bodson, International Trade Specialist

Tel: (202) 482-0681

www.ita.doc.gov/td/machinery

MEDICAL EQUIPMENT

Office of Microelectronics, Medical

Equipment & Instrumentation

Steven Harper, International Trade Specialist

Tel: (202) 482-2991

www.ita.doc.gov/td/mdequip

TEXTILES

Office of Textiles and Apparel

Market Expansion Division

Tel: (202) 482-5153

<http://otexa.ita.doc.gov>

Secondary Materials and Recycled Textiles Association

Tel: (301) 656-1077

Fax: (301) 656-1079

E-mail: smartasn@erols.com

www.smartasn.org

VEHICLES

Office of Automotive Affairs

Motor Vehicle Division

Tel: (202) 482-0669

www.ita.doc.gov/td/auto

REMANUFACTURED AUTOMOBILE PARTS

Office of Automotive Affairs

Automobile Parts and Supplier Division

Tel: (202) 482- 1418

www.ita.doc.gov/td/auto

Automotive Parts Rebuilders Association

Tel: (703) 968-2772

Fax: (703) 968-2878

E-mail: mail@buyreman.com

www.apra.org

The Trade Information Center (TIC) is operated by the International Trade Administration of the U.S. Department of Commerce for the 20 federal agencies comprising the Trade Promotion Coordinating Committee. These agencies are responsible for managing the U.S. Government's export promotion programs and activities. You, too, can "Ask the TIC" by calling 1-800-USA-TRAD(E) toll free, Monday through Friday, 8:30-5:30. Or visit the TIC's website at <http://tradeinfo.doc.gov>.